

PERFORMANCE AUDIT
OF THE
OFFICE OF PROFESSIONAL PREPARATION SERVICES
DEPARTMENT OF EDUCATION

August 2004

“...The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.”

– Article IV, Section 53 of the Michigan Constitution

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Michigan *Office of the Auditor General* REPORT SUMMARY

Performance Audit

Office of Professional Preparation Services

Department of Education

Report Number:
31-140-02

Released:
August 2004

The Office of Professional Preparation Services (OPPS) is responsible for ensuring that a person employed in an elementary or secondary school with instructional responsibilities has a valid credential for the position held. OPPS is also responsible for ensuring that professional school personnel complete quality teacher preparation and professional development.

Audit Objective:

To assess OPPS's effectiveness in providing leadership to help ensure quality teacher preparation and continuing education programs.

Audit Conclusion:

We concluded that OPPS was somewhat effective in providing leadership to help ensure quality teacher preparation and continuing education programs.

Reportable Conditions:

Our assessment disclosed reportable conditions related to the use of test results to evaluate effectiveness, teacher education program review and approval, the Periodic Review and Program Evaluation Process, reporting of Michigan Test for Teacher Certification (MTTC) pass rates, teacher professional development, State Board of Education continuing education unit (SB-CEU) programs, and the new teacher induction/teacher mentoring process (Findings 1 through 7).

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Audit Objective:

To assess the effectiveness and efficiency of OPPS's certification process.

Audit Conclusion:

We concluded that OPPS's certification process was somewhat effective and efficient.

Reportable Conditions:

Our assessment disclosed reportable conditions related to issuance of special permits, applicant certification credentials, and the teacher certification status Web site (Findings 8 through 10).

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Audit Objective:

To assess OPPS's effectiveness in ensuring that all public and nonpublic schools comply with certification statutes.

Audit Conclusion:

We concluded that OPPS was not effective in ensuring that all public and nonpublic schools complied with certification statutes.

Material Conditions:

OPPS needs to take a more proactive role in helping to ensure that teachers and other licensed school personnel with criminal convictions are reported to the Department as required by law (Finding 11).

The Department, in conjunction with the Center for Educational Performance and Information (CEPI), should coordinate efforts to ensure that school districts report accurate and complete school district educational personnel data (Finding 12).

The Department did not have a process to verify that school districts employed certified teachers and to identify "out-of-field" teaching assignments (Finding 13).

Reportable Condition:

Our assessment also disclosed a reportable condition regarding nonpublic school teacher certification (Finding 14).

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Agency Response:

Our report contains 14 findings and 16 corresponding recommendations. The Department's preliminary response indicated that it agreed with 9 recommendations (Findings 2 and 8 through 13) and partially agreed with 5 recommendations (Findings 1, 3, and 5 through 7). The Department's preliminary response also indicated that it disagreed with 2 recommendations (Findings 4 and 14). CEPI's preliminary response to Finding 12 indicated that it would continue to work with the Department and OPPS to improve school districts' reporting.

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A copy of the full report can be
obtained by calling 517.334.8050
or by visiting our Web site at:
<http://audgen.michigan.gov>



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THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

August 26, 2004

Mr. Thomas D. Watkins Jr., Chairperson
State Board of Education
Hannah Building
Lansing, Michigan

Dear Mr. Watkins:

This is our report on the performance audit of the Office of Professional Preparation Services, Department of Education.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; three tables, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

A handwritten signature in black ink, reading "Thomas H. McTavish".

Thomas H. McTavish, C.P.A.
Auditor General

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Description of Agency

The Department of Education was established under the Executive Organization Act of 1965. The elected eight-member State Board of Education established by the 1963 State Constitution heads the Department. The principal executive officer is the Superintendent of Public Instruction, who is appointed by the Board. Article VIII, Section 3 of the State Constitution vests in the State Board of Education the leadership and general supervision over all public instruction.

The Office of Professional Preparation Services (OPPS) is responsible for ensuring that a person employed in an elementary or secondary school with instructional responsibilities has a valid credential for the position held. OPPS is also responsible for ensuring that professional school personnel complete quality teacher preparation and professional development. OPPS's mission* is:

To provide leadership through collaboration with interdepartmental units, other state and national agencies, professional organizations, higher education institutions, and school districts to develop, implement, monitor and improve the efficiency and effectiveness of systems for the preparation, licensure, approval and continuing professional development of Michigan's Pre-K-12 educational personnel.

OPPS is composed of two units: the Program Preparation and Continuing Education Unit and the Client Services Unit. The Program Preparation and Continuing Education Unit is responsible for the development, approval, and reapproval of teacher preparation programs; assessment of required skills and knowledge for teacher certification; and continued professional development of educational personnel. This Unit is also responsible for investigating instances of criminal convictions of teachers and other certified or approved school personnel and the fraudulent use of teaching certificates. It administers actions to suspend, deny, or revoke certificates when appropriate.

The Client Services Unit is responsible for ensuring that all educational personnel seeking certification meet legal requirements and that Michigan schools employ fully certified educators for positions requiring State licensure. Major responsibilities include

* See glossary at end of report for definition.

issuing provisional and professional teaching certificates, vocational authorizations, various teaching permits, and school psychologist and nurse certificates.

The Department of Information Technology assists OPPS in maintaining its automated licensing system, License 2000. Further, the Center for Educational Performance and Information (CEPI), Department of Management and Budget, assists OPPS by providing school personnel data reported by school districts* to CEPI's Registry of Educational Personnel (REP) database.

OPPS had 27 full-time equated positions as of September 30, 2002. For fiscal year 2001-02, OPPS expended approximately \$2.1 million in administering its programs.

** See glossary at end of report for definition.*

Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit* of the Office of Professional Preparation Services (OPPS), Department of Education, had the following objectives:

1. To assess OPPS's effectiveness* in providing leadership to help ensure quality teacher preparation and continuing education programs.
2. To assess the effectiveness and efficiency* of OPPS's certification process.
3. To assess OPPS's effectiveness in ensuring that all public and nonpublic schools comply with certification statutes.

Audit Scope

Our audit scope was to examine the program and other records of the Office of Professional Preparation Services. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Audit Methodology

Our audit work, performed from April through October 2002, included examination of OPPS records primarily for the period July 1999 through June 2002.

To accomplish our objectives, we performed a preliminary review of OPPS to gain an understanding of its programs. This involved interviewing various OPPS and Department staff and reviewing OPPS's new automated licensing system, License 2000. We researched applicable State and federal statutes, policies and procedures, manuals, reports, and other reference material. We reviewed audit reports on similar programs in other states.

In connection with our first objective, we reviewed current research related to teacher education. We obtained and analyzed data related to alignment of teacher standards

* See glossary at end of report for definition.

and indicators for teacher supply and demand in Michigan. We randomly selected and reviewed a sample of new teacher education program applications and reviewed applications for alternative routes to teacher education programs. We examined records related to the Periodic Review and Program Evaluation Process, including obtaining and analyzing Michigan Test for Teacher Certification* (MTTC) test results. We reviewed records and activities related to teacher professional development and continuing education programs and the new teacher induction/teacher mentoring process.

In connection with our second objective, we reviewed OPPS's process to follow up complaints received regarding improper teacher assignments. We randomly selected and reviewed a sample of applications for various school personnel certificates and special teacher permits issued by OPPS for the three school years* ending with school year 2001-02. Also, we analyzed the length of time necessary to process special teacher permits.

In connection with our third objective, we reviewed OPPS's efforts related to school personnel criminal conviction reporting. We matched License 2000 with the Michigan Department of State Police's Law Enforcement Information Network (LEIN) to identify individuals with criminal convictions. We reviewed the Department's criminal conviction notification and teacher revocation records and files to determine whether criminal convictions had been reported to the Department. We obtained a download of school year 2001-02 personnel reported by school districts to the Registry of Educational Personnel (REP) maintained by the Center for Educational Performance and Information, Department of Management and Budget. We identified individuals with criminal convictions who had not been reported to the Department of Education and who worked in schools for that school year. We developed a methodology to identify school personnel not validly certified and matched License 2000 with the REP for a sample of school districts for school year 2001-02. We met with Department staff to identify processes related to nonpublic school teacher certification.

Agency Responses and Prior Audit Follow-Up

Our report contains 14 findings and 16 corresponding recommendations. The Department's preliminary response indicated that it agreed with 9 recommendations (Findings 2 and 8 through 13) and partially agreed with 5 recommendations (Findings 1, 3, and 5 through 7). The Department's preliminary response also indicated that it

** See glossary at end of report for definition.*

disagreed with 2 recommendations (Findings 4 and 14). CEPI's preliminary response to Finding 12 indicated that it would continue to work with the Department and OPPS to improve school districts' reporting.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require the Department of Education to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

We released our prior performance audit of the Office of Teacher Preparation and Certification Services, Department of Education (#3114094), in June 1995. Within the scope of this audit, we followed up 8 of the 13 prior audit recommendations. The Department complied with 1 of the 8 prior audit recommendations. We repeated 2 prior audit recommendations (presented in Finding 8) and the 5 other prior audit recommendations were rewritten for inclusion in this audit report.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

LEADERSHIP TO HELP ENSURE QUALITY TEACHER PREPARATION AND CONTINUING EDUCATION PROGRAMS

COMMENT

Audit Objective: To assess the Office of Professional Preparation Services' (OPPS's) effectiveness in providing leadership to help ensure quality teacher preparation and continuing education programs.

Conclusion: We concluded that OPPS was somewhat effective in providing leadership to help ensure quality teacher preparation and continuing education programs. Our assessment disclosed reportable conditions* related to the use of test results to evaluate effectiveness, teacher education program review and approval, the Periodic Review and Program Evaluation Process, reporting of Michigan Test for Teacher Certification (MTTC) pass rates*, teacher professional development, State Board of Education continuing education unit (SB-CEU) programs, and the new teacher induction/teacher mentoring process (Findings 1 through 7).

FINDING

1. Use of Test Results to Evaluate Effectiveness

The Department of Education did not use the MTTC subject area test* results effectively as a resource in evaluating teacher preparation institutions and their teacher education programs. As a result, the Department did not consider a source of objective data in identifying those institutions and programs in need of further review.

Section 380.1531(2) of the *Michigan Compiled Laws* requires applicants for teacher certification to pass both a basic skills test* and a subject area test. The MTTC basic skills test assesses proficiency in the basic skills of reading, mathematics, and writing. MTTC subject area tests assess teacher candidates' content knowledge of the subjects they seek certification to teach.

The Department received all MTTC test results directly from an independent testing company. Although the Department was working toward outcome-based performance measures, it had not analyzed the MTTC subject area test results.

* See glossary at end of report for definition.

Rather, the Department relied upon the Periodic Review and Program Evaluation Process (Finding 3) as its method to identify those institutions and programs in need of improvement.

We obtained and analyzed subject area test results for tests administered between July 1, 1998 and June 30, 2002. We calculated pass rates as the total number of tests passed divided by the total number of tests attempted for each institution. Because the Department had not established standards for evaluating the effectiveness of teacher education programs, we used the 80% criteria that the federal government requires for Teacher Quality Enhancement Grants under Title II of the federal Higher Education Act of 1998 as an indicator of programs that may need further review of effectiveness. Our analysis of the institutional test results for those individuals who reported attending one of Michigan's 32 teacher preparation institutions disclosed significant variances in the institutions' pass rates. Specifically:

- a. The overall pass rate for each of the 32 institutions ranged from 94% to 54% with 9 (28%) institutions below 80% (see Table 1). Of the 9 institutions below 80%, 3 were public institutions and 6 were private institutions. Also, 5 of the 6 private institutions had an overall pass rate of less than 70%.
- b. Our analysis of test results by institution for five subject area tests of English, History, General Science, Biology, and Secondary Mathematics, which correspond to specific approved teacher education programs at the various institutions, disclosed significant variances in pass rates among the institutional programs for all five of the subject area tests (see Table 2). Our analysis also disclosed:
 - (1) Only 4 institutions (A, C, D, and H) of the 32 teacher preparation institutions had pass rates exceeding 80% for all five education programs.
 - (2) Two institutions (EE and FF) had pass rates of less than 80% for all five education programs.
 - (3) A number of institutions that had an overall pass rate exceeding 80% also had a program(s) with pass rates of less than 65%, such as institutions I, N, O, and S.

- (4) A number of institutions had a program(s) with a very high pass rate and another program(s) with a very low pass rate, such as institutions G, J, V, and W.
- c. An overall analysis of MTTC pass rates by test indicated lower test scores in primary core subject areas, including Science (75%), Social Studies (72%), and Mathematics (73%). By comparison, Elementary Education and Special Education pass rates were both 88%.

We recognize that the subject area test results may include some individuals who may not have been enrolled in the institution or particular program associated with the test results or may not have completed the teacher education program at the time of testing. However, based on the significant variances in institutions' pass rates noted in our analysis, we concluded that the MTTC subject area test results provide valuable information in identifying teacher education programs in need of further review of effectiveness.

RECOMMENDATION

We recommend that the Department use the MTTC subject area test results effectively as a resource in evaluating teacher preparation institutions and their teacher education programs.

AGENCY PRELIMINARY RESPONSE

The Department partially disagrees with the finding:

- Pass rates are now and have been throughout this period used appropriately in reviews, as one of several decision elements. The Periodic Review Council and the Department have agreed that a decision to suspend should not be based solely on pass rates.
- Minor programs often have lower pass rates than programs requiring a major; however, the State's acceptance of minor programs overall as preparation for teaching content may be more an issue than the specific program pass rates.
- As part of a long-term plan, OPPS was already planning to move to outcomes-based decisions in the 2005 cycle; this will include publication of bar-coded test results starting in 2004 (to encourage development of other related

outcomes needed for triangulated outcomes) but not inappropriate ranking of institutions by pass rates.

- Until 2002, first-time pass rates for an institution included anyone who claimed that institution, even if they had never attended it, making these pass rates suspect.
- In October 2001, the Department initiated a bar-coding process to validate the test-takers whose scores would be used to generate a valid test-passing rate for each specialty program; this process is a required part of the test contract for 2003-08.
- The bar-coded test results (first available for 2002-03) recently sent by the testing contractor show a narrower range of aggregate scores than the auditor calculated for the 1998-2002 period: from 64% to 97% of all bar-coded first time test-takers passed their content tests, depending upon the institution. Only three institutions had aggregate bar-coded pass rates below 80%, which is the typical benchmark states use as acceptable. This difference from the rates calculated in the audit findings suggests that the bar-coding process will help in responsible use of pass rates in the future.
- An 80% cutoff is suggested in the audit as a benchmark for effective teacher education programs, based upon U.S. Department of Education (USDOE) Teacher Quality Title II grants; however, that benchmark was developed by USDOE during the 2001-02 period and assumes verifiable pass rates by real students of the institution, not choices made by any test-taker about what institution to claim.
- Specialty content rates do not represent the value added by the colleges or departments of education and Michigan law does not permit testing of pedagogy or education professional knowledge, so OPPS does not have the full range of test scores needed for the uses the audit recommends, determining the effectiveness of teacher education.

Future: OPPS is changing administrative rules to eliminate the requirement for a minor at the secondary level, to permit focus on the preparation of a quality teacher in the primary discipline. As well, three-year content-specific institutional pass

rates will be calculated and published on the Department's website in the 2005-12 Periodic Review cycle as part of greater transparency of information to prospective students, along with other outcome factors as evidence of preparation quality, such as job-placement rates, job-retention and success in the first years of teaching. OPPS believes that the pass rates are meaningful in the context of such additional outcome measures. Since a paper and pencil test of classroom pedagogy is not sufficiently valid and since other methods are expensive, OPPS does not seek authorization for additional pedagogy testing from the Legislature.

OFFICE OF THE AUDITOR GENERAL EPILOGUE

The Department's response states that pass rates are now and have been throughout this period used appropriately in reviews, as one of several decision elements. Although the Department's Periodic Review and Program Evaluation Process provided for a review of the MTTC pass rates, our review disclosed that the Process reviewers indicated that MTTC results were seldom used for program evaluation.

Also, the Department's response states that the Periodic Review Council and the Department have agreed that a decision to suspend should not be based solely on pass rates. Our finding does not mention suspending programs based on test results. We state that test results are a resource for evaluating programs and identifying those in need of further review. The Department's practice of relying solely upon the cyclical Periodic Review and Evaluation Process means that programs in need of improvement could remain unidentified for protracted periods before they are subject to review.

Finally, the Department's response suggests that the reason for differences in aggregate pass rates between those presented in the audit finding and the bar-coded results now available is due to invalid test-takers. We acknowledged in our audit finding that the data provided to us during the audit could include results for some individuals who were not enrolled in, or who had not completed, the programs. However, the Department's methodology used to calculate pass rates presents results for individuals who have passed the tests on their first attempt. Our methodology is based on the total tests attempted and reflects the impact of repeated failure to pass the tests.

FINDING

2. Teacher Education Program Review and Approval

OPPS needs to improve its new teacher education program review and approval process.

OPPS's consistent and timely review and approval of new teacher education programs is essential to ensure that teacher preparation institutions provide the most beneficial and current offerings to students.

Michigan Administrative Code R 390.1151 and Executive Order No. 1996-12 require teacher preparation institutions to submit program curricula and definitions of content requirements for major and minor areas to the Superintendent of Public Instruction (Superintendent) for approval. Institutions must obtain the Superintendent's approval to change programs or to add new certification endorsement areas prior to publicizing changes in their catalogs and enrolling students.

We randomly selected for review 17 (11%) of the 161 program applications submitted to OPPS since 1998 and tracked in the database. OPPS's approval process was not timely, did not include criteria for evaluation, and did not ensure the complete tracking of all applications received. Our review disclosed:

- a. OPPS had not established time standards to help ensure the timely review of program applications and did not monitor the status of reviews in process.

OPPS had completed 9 of the 14 selected program applications available for our review. The average processing time for the 9 applications was 122 days with 3 applications exceeding 160 days. Also, one application recommended for approval by a specialist on March 11, 2002, had not been forwarded to the Superintendent as of the time of our review in August 2002.

The lack of established time standards for the various stages of the application process and monitoring of progress reduces OPPS's ability to ensure the timely processing of applications.

- b. OPPS had not developed written criteria for specialists' use in reviewing program applications for 16 (89%) of the 18 program areas that institutions

offer. As a result, 8 (57%) of the 14 program applications that we reviewed lacked written criteria for specialists to use in reviewing these program applications.

Written criteria are necessary to help ensure that specialists review program applications consistently and that the proposed programs are balanced and aligned with State Board of Education standards.

- c. OPPS did not reconcile program applications received with data entered into its database. As a result, OPPS could not locate 3 (18%) of the 17 applications we selected for review.

Periodically reconciling data entered into the database with the program application files would reduce the likelihood of human error and ensure the integrity of the database as a management tool.

RECOMMENDATION

We recommend that OPPS improve its new teacher education program review and approval.

AGENCY PRELIMINARY RESPONSE

The Department agrees and has (summer 2002) taken steps to improve this process:

- Program approval was streamlined and integrated with Periodic Review and staff were reassigned, given specific responsibility for both new and periodic review of specified program areas so that clearer staff accountability could be established.
- New programs are now reviewed in peer review conferences (once or twice a year, depending on volume of programs) along with related programs undergoing periodic review, with similar criteria (except that MTTC scores are not asked of new programs) and the same content expert review panels.
- OPPS developed specific step-by-step directions used in training new reviewers.

- Written criteria for review are available at:
<http://www.michigan.gov/documents/contentareaprogram_21914_7.doc>.

FINDING

3. Periodic Review and Program Evaluation Process

OPPS should improve its Periodic Review and Program Evaluation Process for teacher preparation institution units and their teacher education programs.

Implementing improvements to the Process would help OPPS ensure that it makes the correct recommendations to the Superintendent for teacher preparation institution unit and teacher education program continuation. *Michigan Administrative Code R 390.1151* and Executive Order No. 1996-12 vest the Superintendent with the authority to periodically review teacher education programs at approved teacher preparation institutions.

Our review of the Process and its administration at three educational institutions during calendar years 2000 through 2002 disclosed:

- a. OPPS had not established outcome-based performance standards* for evaluating teacher education programs.

The Process focuses primarily on the teacher education program curriculum and determining whether it is aligned with State Board of Education standards and other technical guidance for the specific program reviewed. Further, although the Process incorporated review of MTTC test results, the Department had not established a standard for acceptable results and these results were used infrequently for institution and program improvement. Outcome-based performance standards, such as assessments of MTTC test results (Finding 1) and evaluations of the methods used to collect and analyze data on candidates' performance, focus on results. OPPS informed us that, although not developed, establishing outcome-based performance standards would improve the Process.

* See glossary at end of report for definition.

Implementing outcome-based performance standards would enable the evaluation of teacher education program effectiveness in preparing candidates with the skills and knowledge necessary to help educate students.

- b. OPPS did not receive reviewer comments forms for 57 (68%) of the 84 programs reviewed at the three institutions. OPPS annually recruits and trains specialists from higher education and K-12 institutions to conduct the Process. Specialists perform their reviews based on a defined rating scale of 1 to 3 with 3 being the highest. Specialists document their review findings on a reviewer comments form. The reviewer comments forms provide the basis for further discussion when the specialists meet as a group to reach agreement on recommendations to the Superintendent. The final recommendations for continued approval or suspension of the institution unit or program are summarized on a one-page form and submitted to OPPS along with the reviewer comments forms.
- c. OPPS did not assess the validity or reliability of reviewer comments forms prior to presenting their recommendations for institution unit and program continuation to the Superintendent. Our review disclosed:
 - (1) In 3 instances, an institution's program was recommended for approval when it received a lower overall score based on the reviewer comments form than a higher scoring similar program at another institution that received a recommendation for pending status.
 - (2) Overall reviewer comments form scores for program pending status recommendations ranged from a high of 2.51 (near the highest level of scoring) to a low of 1.06 (near the minimum level of scoring).

Assessing the validity and reliability of reviewer comments form scoring would help bring consistency to OPPS's recommendations made to the Superintendent for institution unit and program continuation. In addition, such assessments may provide OPPS with indicators for making improvements to the Process.

RECOMMENDATION

We recommend that OPPS improve its Periodic Review and Program Evaluation Process for teacher preparation institution units and their teacher education programs.

AGENCY PRELIMINARY RESPONSE

The Department partially agrees and has made mid-term corrections to Periodic Review even within the 2000-05 cycle. However, some misunderstandings are apparent in the audit specifics and form the basis of the "partial" agreement:

- For the 2000-05 cycle, most institutions did not yet have the **capacity** to provide outcome data beyond MTTC pass rates so OPPS was not making a choice among realistic options in not establishing outcome-based standards; OPPS efforts have raised awareness of this need, as does the July 2004 publication of bar-coded pass rates.
- Recommendations from peer reviewers do not focus on improving pass rates (which could have unintended consequences like reducing the production of teachers in high needs areas) but rather use pass rates as indicator evidence that program structure or staffing needs improvement.
- The 2000-05 cycle requires that programs align with State Board of Education teacher specialty content standards (new for teacher preparation since the late 1990s), which required careful review of institutional requirements and syllabi by discipline peer reviewers to assure compliance with needs of K-12 classrooms. Not all elements of standards can be translated into multiple choice test items so this grounding in input and process was a necessary first step in review, which will not be repeated in 2005-12.
- OPPS does not use numerical "scores"; review panels are not required to use the forms (hence the finding that OPPS did not receive these in 68% of the 3 reviewed cases), and they may use the rubric only as a guide to beginning their work, not to produce a "score" of program quality. Peer reviewer opinions are orally justified until a consensus decision is reached and specific suggestions for improvement are detailed, but there is no re-working of initial "scores" for those reviewers who chose to use the forms.

- This process is much more peer review for improvement, not for punitive measures, than the audit recognizes. Programs were offered advice in strengthening their offerings on the basis of these reviews. The audit did not show that any institution was disadvantaged by the flexible use of these forms and OPPS continues to hold that offering options for peer review and guidance to improvement is more important than having number scores to record.

Future: In accordance with national trends, OPPS is moving to a seven-year, outcomes-based Periodic Review and Program Evaluation cycle and accepting National Council for Accreditation of Teacher Education (NCATE) or Teacher Education Accreditation Council (TEAC) accreditation approval in lieu of a separate State review. Review will continue to focus on improving programs and will encourage institutional reflection about how to improve outcomes.

OFFICE OF THE AUDITOR GENERAL EPILOGUE

The Department states that review panels are not required to use the forms and that the panels may use the rubric only as a guide to beginning their work. However, NCATE in its *Professional Standards for the Accreditation of Schools, Colleges, and Departments of Education*, 2002 Edition, defines a rubric as the written and shared criteria for judging performance that indicate the qualities by which levels of performance can be differentiated and that anchor judgments about the degree of success. The rubric used for the Periodic Review and Program Evaluation Process contained 12 critical components for review with several having numerous components. To permit discretionary use of the forms could affect the reliability of the process and its value to stakeholders.

FINDING

4. Reporting of MTTC Pass Rates

The Department did not compute and report meaningful MTTC pass rates to USDOE.

Reporting meaningful pass rates would allow interested parties to assess the effectiveness of teacher preparation institutions.

Title II of the federal Higher Education Act of 1998 requires that states annually report on the quality of their teacher education programs at teacher preparation institutions, including institutional pass rates on state assessments for individuals who completed the training requirements for teacher education programs. USDOE stated that this data could be used as an indicator of the success of teacher education programs and intended teacher preparation institutions to use the data to improve their teacher education programs.

To comply with this statutory requirement, USDOE required the Department to report to USDOE, beginning with academic year 1999-2000, the institutional pass rates on the MTTC basic skills and subject area tests for all individuals who had completed their educational and training requirements necessary for graduation. However, USDOE did not define the term "graduate" but rather created the term "program completer" to encompass all teacher training candidates and gave states and institutions discretion to interpret the term as they wished.

Rather than compute and report institutional pass rates for those individuals who had completed their educational and training requirements necessary only for graduation, the Department reported the pass rate for program completers recommended by the institutions for certification. Because passing MTTC is a requirement for institutional recommendation for certification, the Department's methodology for computing the institutional pass rates resulted in all institutions having 100% MTTC pass rates. Thus, the reported data did not include those individuals who had completed all educational and training requirements necessary for graduation who unsuccessfully attempted MTTC. Therefore, the data was not useful for comparing the effectiveness of teacher preparation institutions.

RECOMMENDATION

We recommend that the Department compute and report meaningful MTTC pass rates to USDOE.

AGENCY PRELIMINARY RESPONSE

The Department disagrees with the finding since the Department has complied with the USDOE definitions and would have had to create two separate reports in order to both meet federal definitions and also report graduates' pass rates. However, OPPS partially agrees with the intent of the audit finding on reporting pass rates.

Pass rates can be one useful indicator of program quality if they truly represent value added by the program, which has not been possible with Michigan data.

- The 100% program completer pass rate reported to USDOE is based upon a Michigan law and complies with federal requirements but adds no useful information for policy.

Future: Content-specific, bar-coded institutional pass rates will be calculated and published on the Department's website in the 2005-12 review cycle as part of a policy of greater transparency of information to prospective students, along with other outcome evidence of preparation quality, such as job-placement rates, job-retention and success in the first years of teaching. The Department will continue to comply with USDOE instructions; it anticipates that the reauthorization of the Higher Education Act will eliminate the definitional loopholes that make 100% the only technically accurate pass rate Michigan can report.

OFFICE OF THE AUDITOR GENERAL EPILOGUE

As stated in the audit finding, rather than computing pass rates for those individuals who had completed their educational requirements necessary for a degree, the Department reported the pass rates for program completers recommended by the institutions for certification.

FINDING

5. Teacher Professional Development

Michigan's teacher professional development requirements did not link teacher professional development training with school district and student needs in order to help improve student achievement.

Research indicates that professional development that enables teachers to gain new skills and knowledge and is linked to the needs of the students can be an effective tool to help improve teaching practices and, therefore, student achievement.

Michigan Administrative Code R 390.1135 requires that teachers have continuing professional development in order to renew certain teaching certificates. Section 380.1527 of the *Michigan Compiled Laws* requires school districts to

provide at least five paid days of teacher professional development annually beginning in school year 2001-02. Within the Department, OPPS and the Office of School Excellence were responsible for administering activities related to these requirements.

Our review disclosed that current teacher professional development requirements do not ensure that teachers obtain professional development in areas in which improvement is needed.

Surveys of Michigan teachers indicate that their professional development was not properly focused on student needs and teaching skills needed to improve student achievement. Only 49% of teachers in one survey indicated that their professional development plans were based on students' learning needs. Also, in another survey conducted by a Michigan university of one large Michigan school district, 40% of the teachers indicated that they needed additional training in areas such as reading, mathematics, and ways to cope with diverse learning styles. However, current teacher professional development focuses on one-time program offerings that research has shown to be ineffective in improving teaching practice and student achievement and little incentive exists in the system to encourage better performance.

RECOMMENDATION

We recommend that the Department review the feasibility of linking teacher professional development training with school district and student needs and, if appropriate, initiate amendatory legislation regarding teacher professional development requirements.

AGENCY PRELIMINARY RESPONSE

The Department partially agrees since the Eisenhower higher education funding program was the only OPPS initiative that specifically targeted content areas for professional development. OPPS has been working to strengthen such connections:

- A new staff member was transferred to the unit in October 2002 solely focused on professional development;

- A greater focus is put on continuous quality improvement regarding the content of professional development and its link to school needs;
- Assigning the new professional development consultant (as of October, 2003) to attend School Improvement leadership meetings and connect OPPS efforts in professional development to recognized school needs;
- Developing new State Board of Education policy on professional development and in-services offered to districts; and
- Using more stringent grant criteria for professional development to have a research base that shows why an impact on K-12 students is anticipated.
- Since late 2003, OPPS staff provide professional development expertise to the Michigan Virtual University/Department of Education collaboration to develop a learning portal for teacher and principal professional development.

Future: OPPS continues technical assistance plans for districts and increases its focus on efforts to improve data collected by the Center for Educational Performance and Information (CEPI) to identify teacher development needs and strengths. Limits on staff size, staff support and precision of CEPI data continue to limit this connection. OPPS has testified (2003-04 session) to the Legislature regarding the need for the professional development language to refer to classroom needs and is putting such initiative into its Annual Regulatory Plan for 2004-05.

FINDING

6. SB-CEU Programs

OPPS should improve its application process for, and monitoring of, State Board of Education continuing education unit (SB-CEU) programs.

The absence of necessary documentation to facilitate proper review prior to program approval and the lack of timely monitoring limits assurance that these programs meet State Board of Education objectives to promote the continual development of knowledge, skills, and attitudes of the teachers and administrators who participate in the programs.

Michigan Administrative Code R 390.1135 requires teachers to earn at least six semester hours or 18 continuing education units every five years for their teaching certificate renewal or employment as a school administrator. Semester hours are earned from colleges and universities and continuing education units are earned by participating in approved SB-CEU programs conducted by sponsors such as intermediate school districts or nonprofit organizations.

State Board of Education policy requires that SB-CEU programs be preapproved by OPPS before being offered to teachers, and OPPS monitors these programs on a three-year cycle.

Our review of teacher continuing education programs disclosed:

- a. OPPS's application process did not require that necessary information be submitted to ensure the propriety of SB-CEU programs.

In an attempt to streamline the application process for SB-CEU program sponsors, OPPS implemented an on-line application in 2000. We determined that 107 (75%) of the 142 approved SB-CEU program sponsors used the Web-based application approval process during 2001 and 2002, and OPPS approved 3,307 and 3,164 on-line application programs for these years, respectively.

However, the on-line application process did not require the sponsors to provide significant and important information, such as instructional staff credentials, program purposes and objectives*, program content and methodologies, program evaluation method, target audience information, or the needs assessment as required by State Board of Education policy. Without such critical information from which to base approval, we question the value of OPPS's approval of the SB-CEU programs.

- b. OPPS often did not monitor SB-CEU sponsors in accordance with its scheduled three-year monitoring cycle. As of May 31, 2002, OPPS had not conducted monitoring reviews of 50 (45%) of the 111 active SB-CEU sponsors who offered approved programs during the preceding three years.

* See glossary at end of report for definition.

RECOMMENDATION

We recommend that OPPS improve its application process for, and monitoring of, SB-CEU programs.

AGENCY PRELIMINARY RESPONSE

The Department partially agrees with the finding. The SB-CEU approval process was changed to an electronic process out of necessity due to a lack of staff and an increase in interest in the program. The electronic process does not directly request information on the needs assessment, but all program submissions are accessed by the program specialist and reviewed for compliance with time and facilitator requirements. All programs are registered and available to the general public for access. Should there be any questions about the quality or validity of the program offerings, OPPS's SB-CEU specialist is available to address these. The initial program approval is also extended to the approved SB-CEU sponsor.

Since the audit report was filed, the SB-CEU specialist has completed a second cycle of program audits. Given the efficiency of the electronic process, OPPS will work with programmers to determine whether or not additional information regarding the program needs assessment can be added to the application.

It should also be noted that the SB-CEU specialist conducts an annual training and update session for all SB-CEU coordinators.

FINDING

7. New Teacher Induction/Teacher Mentoring Process

OPPS should increase its efforts to monitor and evaluate the new teacher induction/teacher mentoring process at local school districts.

Research indicates that a comprehensive and effective new teacher induction/teacher mentoring process, among other things, increases the retention rate of new teachers. Monitoring and evaluating school districts' new teacher induction/teacher mentoring processes would provide OPPS with assurance regarding school districts' compliance with the statutory requirements and guidelines and a measure of the effectiveness of the processes. Also, performing these functions would identify effective best practices that OPPS could disseminate

to districts Statewide for use in improving the new teacher induction/teacher mentoring processes.

Section 380.1526 of the *Michigan Compiled Laws* requires that all Michigan school districts implement a system of induction and professional development for new teachers, known as the "new teacher induction/teacher mentoring process." The statute, which was to be implemented in fall 1994, also requires that new teachers be assigned mentors and receive at least 15 days of intensive professional development during their first three years of employment. The Department issued guidelines and recommendations for the new teacher induction/teacher mentoring process in August 1994. The Department was to annually monitor school districts' new teacher induction/teacher mentoring processes beginning in school year 1997-98 and evaluate the effectiveness of the school districts' processes, determine needed improvements, and provide evaluation results to professional development facilitators at the intermediate school districts.

OPPS, which had administrative and oversight responsibility for the new teacher induction/teacher mentoring process, had not monitored the school districts' processes or evaluated the effectiveness of the processes. Although OPPS conducted a limited survey of new teachers in 2000, the results were general in nature and OPPS did not use the results to draw conclusions regarding the effectiveness of the school districts' processes or initiate improvement. Also, OPPS did not formally issue the results of the survey.

OPPS informed us that it did not monitor or evaluate the new teacher induction/teacher mentoring processes at school districts because of a lack of resources. OPPS also informed us that it had requested additional resources several times to perform these functions, but the requests were denied.

RECOMMENDATION

We recommend that OPPS increase its efforts to monitor and evaluate the new teacher induction/teacher mentoring process at local school districts.

AGENCY PRELIMINARY RESPONSE

The Department partially agrees; however, since OPPS had limited State resources (staffing and funding) and since OPPS's 2000 and 2001 federal grant proposals in this arena were not successful, efforts to add staff for technical

assistance failed. OPPS notes the many new initiatives at the State level since the audit period:

- added consultant staff in 2002 with half time assignment to induction;
- new State Board of Education standards for induction programs (developed in 2001-2002 and finalized in 2003);
- successful competition in 2002 for a \$1.9 million federal grant partially to develop resources for district mentor and induction;
- technical assistance visits to several urban and rural sites during 2002-04;
- hiring a graduate intern on induction for the 2003-04 year to assemble baseline CEPI data on new teachers and to assist in induction resource development.

CERTIFICATION PROCESS

COMMENT

Audit Objective: To assess the effectiveness and efficiency of OPPS's certification process.

Conclusion: We concluded that OPPS's certification process was somewhat effective and efficient. However, our assessment disclosed reportable conditions related to issuance of special permits, applicant certification credentials, and the teacher certification status Web site (Findings 8 through 10).

FINDING

8. Issuance of Special Permits

OPPS did not track the submission and ensure timely processing of special permit applications. Also, OPPS did not refer late special permit applications to the Office of State Aid and School Finance as required by statute.

Section 380.1233(1) of the *Michigan Compiled Laws* prohibits a teacher who does not hold a valid teaching certificate to teach in any grade or department in a school.

When certified teachers are not available, Section 380.1233b of the *Michigan Compiled Laws* and *Michigan Administrative Code* R 390.1141 authorize the State Board of Education to issue special permits to school districts to enable them to employ noncertified teachers. In accordance with Board policy, school districts may employ a noncertified teacher prior to approval, but a district must apply for a special permit prior to December 1 or within 30 days following the date of employment, whichever is later. To help ensure compliance, Section 388.1763 of the *Michigan Compiled Laws* states that the Department shall reduce a school district's State school aid payments by the amount paid to a teacher for the period of noncertified or illegal employment.

OPPS issued special permits in school years 2000-01 and 2001-02 as follows:

School District Type	School Year 2000-01		School Year 2001-02		School Year 2001-02	
	Permits Issued	Percentage of Permits Issued	Permits Issued	Percentage of Permits Issued	Student Enrollment	Percentage of Student Enrollment
Local and intermediate	987	57%	1,100	59%	1,664,000	96%
Public school academy*	752	43%	752	41%	66,000	4%
Total	1,739	100%	1,852	100%	1,730,000	100%

Our review of 50 randomly selected special permit applications disclosed:

- a. OPPS did not maintain a control log of applications to enable management to document that applications were received and to monitor the time required to process the applications.

Our audit of the Department's Office of Education Options issued in June 2002 reported that the Department had no record that it received 26 (19%) of 139 emergency teacher permit applications that public school academies' records indicated had been submitted for the school year ended June 30, 2001. Maintaining a control log of applications received would document their receipt and may help ensure they are not misplaced during processing.

- b. OPPS had not established a standard of promptness for processing applications to help ensure that individuals who do not meet the special permit requirements do not supervise classrooms for an extended period of time.

* See glossary at end of report for definition.

We analyzed the processing time for our random sample of 50 approved special permit applications for school year 2001-02. The time between OPPS's receipt and approval of the applications averaged 3.6 months. Further, problems with the implementation of the Department's automated licensing system caused delays in recording the application information in the database and issuing billing statements. These delays resulted in an additional 1.4 months processing time and required OPPS to process special permits after the school year ended when the permits were no longer valid. OPPS had no assurance that students in schools that requested the special permits received instruction from individuals who met the special permit teaching qualifications.

We compared the number of permits recorded in the automated licensing system and processed as of June 18, 2002 to the number recorded and processed as of July 31, 2002 and noted that an additional 290 permits were processed.

- c. OPPS did not refer late applications to the Office of State Aid and School Finance to initiate recovery of State school aid funds. Three of the 50 randomly selected approved special teacher permit applications were submitted after the December 1 deadline for applicants who began to teach at least 30 days prior to December 1. OPPS informed us that it does not refer late applications to the Office of State Aid and School Finance to initiate the required recovery of State school aid funds.

Enforcing financial sanctions on noncompliant school districts through referral to the Office of State Aid and School Finance is not only required, but it also could act as a deterrent to possible noncompliance with requirements to employ certified teachers (Finding 13).

We reported on these issues in our prior audit. In response to our prior recommendations, the Department stated that procedures to ensure compliance with statutory requirements and State Board of Education policy would be in place for school year 1995-96. The Department also stated that it would implement a standard of promptness for processing special permit applications.

RECOMMENDATIONS

WE AGAIN RECOMMEND THAT OPPS ESTABLISH PROCEDURES TO TRACK THE SUBMISSION AND ENSURE TIMELY PROCESSING OF SPECIAL PERMIT APPLICATIONS.

WE ALSO AGAIN RECOMMEND THAT OPPS REFER LATE SPECIAL PERMIT APPLICATIONS TO THE OFFICE OF STATE AID AND SCHOOL FINANCE AS REQUIRED BY STATUTE.

AGENCY PRELIMINARY RESPONSE

The Department agrees. In response to the auditor's findings regarding OPPS procedures and oversight for the issuance of special permits, the Client Services Unit plans to adopt procedures to resolve the exceptions. OPPS was taking steps to implement a tracking system of applications for a special permit. The system logs in the application by distinguishing characteristics and tracks the time needed to complete the processing of the permit. In addition, OPPS will refer all late applications received after December 1, or the 30-day time limit, to the Office of State Aid and School Finance as required by statute.

FINDING

9. Applicant Certification Credentials

OPPS did not verify, on a test basis, that applicants for certification who are recommended by in-State colleges and universities meet statutory requirements. Also, OPPS did not verify, on a test basis, that applicants renewing advanced certificates have completed the required continuing education.

Selective verification of applicants' credentials would help OPPS to ensure the propriety of the current process of relying on in-State colleges and universities to recommend qualified individuals for certification. Also, verifying applicants' proof of continuing education, on a test basis, would help ensure that applicants meet statutory requirements for advanced certificate renewal.

Applicants for certain teacher, school counselor, and school psychologist certificates who graduate from or complete additional training at in-State colleges and universities apply directly to their institutions, which certify that they meet statutory requirements.

Applicants renewing advanced certificates (i.e., professional education, occupational education, school psychologist, and school counselor) submit paper applications to OPPS indicating that they have completed the continuing education required for certificate renewal. The application states that proof of the continuing education credit earned for the certificate renewal is to be retained by the applicant in case of audit.

In response to a similar recommendation in our prior audit report (issued in 1995), the Department stated that it had developed a systematic method for reviewing all types of certificate applications, on a test basis, beginning with school year 1995-96. However, we determined that OPPS did not verify any credentials for applicants recommended by in-State colleges and universities during our audit period. Further, OPPS did not verify, on a test basis, proof of continuing education required for applicants renewing advanced certificates.

RECOMMENDATIONS

We recommend that OPPS verify, on a test basis, that applicants for certification who are recommended by in-State colleges and universities meet statutory requirements.

We also recommend that OPPS verify, on a test basis, that applicants renewing advanced certificates have completed the required continuing education.

AGENCY PRELIMINARY RESPONSE

The Department agrees. The auditor's report recommends that OPPS verify, on a test basis, the names of teacher applicants submitted for certification by in-State colleges and universities. In response, OPPS will reinstate the certificate audit procedures. A sampling of recommendations for new certificates by teacher preparation institutions will be conducted following the spring 2004 submissions.

Since the audit period, OPPS does routinely audit applications for the renewal of Professional Education certificates. Approximately 10% of all applications are reviewed to verify compliance with the continuing education requirements. For those applications reviewed, a very small percentage (approximately 1%) was identified as noncompliant. OPPS will continue to routinely audit applications.

FINDING

10. Teacher Certification Status Web Site

OPPS's teacher certification status Web site did not accurately report the status of suspended or revoked teacher certificates.

Accurate reporting of suspended or revoked certificates is necessary to allow interested users who rely upon the Web site to verify the current certificate status of Michigan teachers.

We reviewed the teacher certificate status of 12 individuals whose teacher certificates had been suspended or revoked according to Department records. In all 12 instances, the Web site reported that the individuals had active, valid teaching certificates.

After communicating this issue to OPPS, administrators informed us that OPPS intended to hire temporary staff to enter suspension and revocation actions into its automated licensing system.

RECOMMENDATION

We recommend that OPPS's teacher certification status Web site accurately report the status of suspended or revoked teacher certificates.

AGENCY PRELIMINARY RESPONSE

The Department agrees. OPPS's teacher certification status website was cited for not accurately reporting the status of suspended or revoked teacher certificates. Since the audit was conducted, OPPS has taken action to correct the finding, and the system now displays a hold/alert on the teacher's record with a notification to contact OPPS.

COMPLIANCE WITH CERTIFICATION STATUTES BY PUBLIC AND NONPUBLIC SCHOOLS

COMMENT

Audit Objective: To assess OPPS's effectiveness in ensuring that all public and nonpublic schools comply with certification statutes.

Conclusion: We concluded that OPPS was not effective in ensuring that all public and nonpublic schools complied with certification statutes. Our assessment disclosed three material conditions*. OPPS needs to take a more proactive role in helping to ensure that teachers and other licensed school personnel with criminal convictions are reported to the Department as required by law (Finding 11). Also, the Department, in conjunction with CEPI, should coordinate efforts to ensure that school districts report accurate and complete school district educational personnel data (Finding 12). Further, the Department did not have a process to verify that school districts employed certified teachers and to identify "out-of-field" teaching assignments (Finding 13). Our assessment also disclosed a reportable condition regarding nonpublic school teacher certification (Finding 14).

FINDING

11. Criminal Conviction Reporting

OPPS needs to take a more proactive role in helping to ensure that teachers and other licensed school personnel with criminal convictions are reported to the Department as required by law.

Our review disclosed:

- a. OPPS had not developed a process to periodically assess whether county prosecutors and school districts reported required criminal convictions.

OPPS did not periodically match individuals in its automated licensing system with criminal conviction data available through the Michigan Department of State Police's (MSP's) Law Enforcement Information Network (LEIN) to test that county prosecutors and school districts were reporting required criminal convictions. OPPS informed us that it considered county prosecutors and school districts responsible for being aware of their statutory responsibilities for reporting and, therefore, did not routinely inform them of the requirements.

Our match of individuals in OPPS's automated licensing system with data available through LEIN identified 222 licensed individuals with 362 reportable criminal convictions since school year 1993-94 at which time school districts were required to obtain criminal background checks* for new employees.

* See glossary at end of report for definition.

We determined that 178 (80%) of these 222 individuals with 260 (72%) of the 362 criminal convictions had not been reported to the Department.

Also, 41 (23%) of the 178 individuals with unreported criminal convictions had been employed by a school district during school year 2001-02. Five of the 41 individuals also had additional criminal convictions prior to school year 1993-94 including convictions for robbery, assault, and criminal sexual conduct. Criminal convictions for the remaining 36 individuals consisted primarily of retail fraud or alcohol related convictions. However, convictions for 6 of these remaining 36 individuals included 3 for indecent exposure and 3 for drug related offenses. Forty of the 41 individuals were teachers: 17 at the early childhood or elementary school level, 9 in special education, 12 in middle or high school grades, and 2 in vocational-technical education.

We concluded that OPPS cannot rely on county prosecutors to report criminal convictions to the Department as required by law. We could not determine whether school districts had reported offenders as required as it was not possible to determine to what extent school districts were aware of the criminal convictions of their employees.

Proactive efforts to help ensure compliance with reporting requirements should aid the Department in determining whether individuals with criminal convictions can continue to serve school districts without endangering children.

- b. OPPS had not developed a process to determine whether teachers and other licensed school personnel employed prior to the enactment of criminal conviction reporting statutes had reportable criminal convictions.

Statutory requirements to report school personnel criminal convictions evolved over time since 1988. Although Sections 380.1230 and 380.1230a of the *Michigan Compiled Laws* require school districts to identify criminal convictions for newly hired individuals through criminal background checks, they do not address the identification of criminal convictions of individuals already employed that occurred prior to the effective dates of the reporting requirements.

Our match of individuals in OPPS's licensing database with data available through LEIN identified 304 individuals with criminal convictions that occurred prior to school year 1993-94. Sixty-five (21%) of these individuals worked in schools during school year 2001-02. Individual convictions consisted primarily of retail fraud, larceny, or alcohol related offenses. However, 5 individuals had drug related convictions, 3 individuals had assault convictions, and 3 individuals had criminal sexual conduct convictions. Fifty-one of the 65 individuals were teachers: 11 at the early childhood or elementary school level, 5 in special education, 25 in middle or high school grades, 6 in vocational-technical education, and 4 in other teaching positions.

Because a number of local school districts and public school academies were delinquent in reporting their personnel data to CEPI and nonpublic schools do not report any personnel data to CEPI, it is possible that additional individuals with unreported criminal convictions are employed in Michigan schools (Finding 12).

- c. OPPS's process for monitoring reported criminal convictions lacked necessary data.

OPPS monitored the status of proceedings for reported convictions and for incidents involving individuals that could result in a criminal conviction required to be reported. OPPS documented such information as the name, social security number, address, date of birth, type of conviction, and status of the case. However, OPPS did not document important information such as the notification source, school district of the individual, date of conviction or incident, and dates when OPPS was notified and further action was taken. This information would be useful in helping to assess the Department's effectiveness in taking proper and timely action regarding the possible suspension or revocation of the individual's certificate.

Beginning with school year 1993-94, Sections 380.1230 and 380.1230a of the *Michigan Compiled Laws* require all school districts and nonpublic schools to ensure that all newly employed teachers, school administrators, and other individuals required to obtain a State Board of Education certificate, permit, or approval be fingerprinted and undergo a State and Federal Bureau of Investigation criminal background check through MSP. Sections 380.1535a, 380.1539a, and 380.1539b of the *Michigan Compiled Laws* authorize the Board to suspend or

revoke a person's teaching certificate; administrator's certificate; or other Board certificate, permit, or approval if convicted of a felony* or certain cited misdemeanors* involving children, controlled substances, or assault or of a criminal sexual nature. Sections 380.1535a, 380.1539a, and 380.1539b of the *Michigan Compiled Laws* also require the prosecuting attorney of the county in which the conviction occurred and the offender's employing school district or nonpublic school to notify the Board of the conviction. Executive Order Nos. 1996-11 and 1996-12 vested authority and responsibility regarding license suspension and revocation with the Superintendent.

RECOMMENDATION

We recommend that OPPS take a more proactive role in helping to ensure that teachers and other licensed school personnel with criminal convictions are reported to the Department as required by law.

AGENCY PRELIMINARY RESPONSE

The Department agrees. The auditor's report cited OPPS on inaccuracies in reporting the status of suspended or revoked certificates. In the time since the audit was conducted, OPPS has taken action to correct the condition. The License 2000 system now routinely screens all new applicants as they are entered into the system and places a hold on applications identified as requiring further scrutiny. OPPS has contacted MSP to request assistance in reviewing License 2000 records against MSP's LEIN on a quarterly basis. The information retrieved will be used to identify teachers with a conviction record and against whom OPPS must take action to revoke or suspend a teaching certificate. OPPS has submitted a file to MSP for review and is currently waiting for a report to be completed. OPPS, however, did submit information received from the Office of the Auditor General to MSP for further review, but to date, OPPS has not obtained the results from the analysis.

OPPS has moved quickly to implement recent legislation impacting the timeline for acting on revocation and suspension of valid teaching certificates. In collaboration with the Department's Administrative Law Office and the Department of Attorney General, initial policy has been established regarding the processing of files.

* See glossary at end of report for definition.

OPPS will continue to daily screen new applications and existing certificates against both national and state databases to identify criminal convictions and begin action as required.

FINDING

12. Registry of Educational Personnel (REP) Reporting

The Department, in conjunction with CEPI, should coordinate efforts to ensure that school districts report accurate and complete school district educational personnel data.

Accurate educational personnel data is essential for determining State and federal compliance, for satisfying reporting requirements, and for assisting policymakers in addressing issues such as the relationship between teacher qualifications and student performance.

OPPS informed us that not all school districts reported their educational personnel data to the Department for school year 1999-2000 and that none of the school districts reported data for school year 2000-01 because of the transfer of responsibilities to collect educational personnel data and the development of a new application by CEPI. CEPI notified school districts to report their school year 2001-02 educational personnel data by June 28, 2002. CEPI provided instructions in a technical manual and on its Web site and worked with a pilot group of school districts to obtain input for this initial reporting cycle.

Our review of school year 2001-02 educational personnel data submitted by school districts to CEPI disclosed:

- a. A number of school districts did not report their educational personnel data as required.

In order to allow school districts time to finalize data submissions during this initial collection period, CEPI extended the reporting deadline to July 22, 2002. However, 40 (7%) of the 554 local school districts and 58 (32%) of the 183 public school academies in the State had not reported their school year 2001-02 data as of July 31, 2002.

- b. School districts often reported educational personnel data that was inaccurate and/or incomplete. Our review of data for 271 school districts disclosed:
- (1) One large school district reported 7,121 of its 7,128 educational personnel as administrative or support personnel and the remaining 7 as teachers. Another large school district reported only 2 of 1,555 educational personnel as teachers. However, these districts reported 8,833 and 983 teachers, respectively, for the State's contracted 2002 school evaluation services report.
 - (2) Forty-three (16%) of 271 school districts reported 25% or less of their educational personnel as teachers with regular classroom assignments, although the State's contracted 2001 school evaluation services report indicated that teachers comprised 47% of all school district employees Statewide.

School districts use teacher assignment codes to indicate the subject and grade level in which teachers actually work. The Department needs these codes for determining whether teachers were appropriately certified and qualified to teach in the area assigned (Finding 13). Although CEPI developed certain processes to help ensure the quality of the school districts' submitted data, including automated programming edits within the application, CEPI had not developed reasonableness tests to detect and prevent obviously erroneous data.

Section 388.1613 of the *Michigan Compiled Laws* requires school districts to report educational personnel data. Further, Section 388.1694a of the *Michigan Compiled Laws* designates CEPI as the State agency to coordinate the collection of all education data required by State and federal law, including developing procedures to ensure the validity and reliability of the data. Also, Sections 388.1619, 388.1762, and 388.1763 of the *Michigan Compiled Laws* allow the Department to impose financial penalties if school districts fail to report or if they employ noncertified educational personnel.

RECOMMENDATION

We recommend that the Department, in conjunction with CEPI, coordinate efforts to ensure that school districts report accurate and complete school district educational personnel data.

AGENCY PRELIMINARY RESPONSE

Department of Education

The Department agrees. The auditor's report recommends that OPPS coordinate efforts with CEPI to ensure the accuracy and completeness of district data submitted to the REP. The Department, together with CEPI, has notified districts of the importance of submitting accurate and complete data to the REP. Districts were informed of actions to be taken by the Department if a district fails to report as required by law. The Department continues to work with CEPI to assist districts in complying with reporting requirements. It should be noted that even though OPPS staff identified the data necessary to comply with audit requirements, CEPI failed to incorporate these into the REP collection.

CEPI

CEPI continues to offer assistance to departments in tailoring data checks that will capture anomalies in the data submission process. The departmental program experts provide these parameters through the Data Definition review process that CEPI established. CEPI works with vendors and the Department of Information Technology staff to implement the necessary changes. CEPI will continue to work with the Department and OPPS to improve in this area.

FINDING

13. Teacher Qualification Verification

The Department did not have a process to verify that school districts employed certified teachers and to identify "out-of-field" teaching assignments. Therefore, it is likely that some students are taught by teachers lacking the appropriate qualifications, which research has shown to be a contributing factor in low student achievement. In addition, the Department cannot ensure compliance with State and federal requirements including the No Child Left Behind Act. Although effective after our fieldwork completion, this federal act requires states to report teacher qualifications, including the percentage of classes not taught by highly qualified teachers beginning with school year 2002-03.

Effective September 28, 2000, CEPI had the responsibility to collect school district educational personnel data, which was previously performed by the Department. At the time of our audit in September 2002, OPPS and CEPI had not developed a process to match educational personnel data submitted to CEPI with OPPS's

automated licensing system. As a result, OPPS could not verify that school districts employed certified or permitted teachers and could not identify "out-of-field" teachers (teachers assigned to teach subjects other than those in which they are certified or educated) for school years 1999-2000 through 2001-02.

We obtained educational personnel data reported to CEPI for school year 2001-02 and compared it to OPPS's automated licensing system. Although we identified various problems with the CEPI database (Finding 12), our results are based on a comparison of valid records within each database. Our comparison included 9 intermediate school districts and the 168 local school districts and 94 public school academies within the intermediate school districts that submitted records to CEPI. Our comparison disclosed:

- a. OPPS automated licensing system did not contain evidence of certificates and permits issued for a number of teachers and other individuals reported as employed by school districts.

Of the 75,182 personnel records submitted for our sample school districts, we identified 1,297 (1.7%) related to individuals reported to CEPI as teaching kindergarten through grade 12 in school year 2001-02 who were not in OPPS's automated licensing system. We also identified 119 (0.2%) related to individuals working in nonteaching positions that required OPPS certification or approval, such as school counselors or psychologists, who were not in the automated licensing system. Therefore, these individuals may not have been qualified to teach or work in the areas to which they were assigned.

- b. OPPS's automated licensing system indicated that school districts had a significant number of out-of-field teaching assignments at the high school and middle school levels.

Of the 9,942 individuals reported as teaching in grades 9 through 12, 1,769 (18%) of the individuals were teaching out-of-field. The percentage of individuals teaching out-of-field for three large local school districts was 46%, 38%, and 33% and one public school academy was 57%.

Of the 7,553 individuals reported as teaching in grades 6 through 8, 1,446 (19%) were teaching out-of-field.

Our comparison indicates that there is significant noncompliance by Michigan school districts in using unqualified individuals to teach. Further, because OPPS could not identify unqualified teachers for school years 1999-2000 through 2001-02, it is likely that students at some school districts spent a large portion of their education being taught by teachers who lacked the qualifications to teach the subjects taught.

The *Michigan Compiled Laws* and *Michigan Administrative Code* require that teachers be endorsed for assigned teaching positions, possess a bachelor's degree from an approved teacher preparation institution, and demonstrate competency by passing the MTTC basic skills test and applicable subject area test. Although the *Michigan Administrative Code* allows the Department to grant exceptions to these requirements, educational research has identified out-of-field teaching to be a contributing factor in low student achievement. A 1999 study from a national research consortium of five universities demonstrated that teacher quality characteristics such as certification and a degree in the field to be taught significantly correlate with positive student outcomes.

In addition, states that receive assistance under the federal No Child Left Behind Act (20 USC 6301 et seq.) have to report the professional qualifications of teachers in the state, including the percentage of classes in the state not taught by highly qualified teachers.

For new and existing teachers, the Act defines a "highly qualified teacher" and by the end of school year 2005-06, the Act requires that all teachers of core academic subjects be highly qualified.

RECOMMENDATION

We recommend that the Department develop a process to verify that school districts employ certified teachers and to identify out-of-field teaching assignments.

AGENCY PRELIMINARY RESPONSE

The Department agrees. The auditor has recommended that OPPS develop a process to verify that school districts employ certified teachers and identify out-of-field teaching assignments. OPPS recognizes the serious implications of district actions in assigning nonqualified staff to instructional positions. OPPS is working collaboratively with CEPI to identify incidents of noncompliance with the School

Code on the part of districts. The spring 2004 data collection of the REP will test the Department's attempts to verify teaching credentials to district assignments. OPPS will take appropriate action based on an analysis of the REP report.

- Up until the establishment of CEPI, the Department was responsible for the collection of information from districts on education personnel. The Department had developed a capacity to edit data as it was submitted and then later generate reports relative to teacher assignment and appropriate certification. During the transition, OPPS worked with CEPI in transferring responsibilities for the REP data collection. It should be noted that even though OPPS staff identified the data needed to comply with audit requirements, CEPI failed to incorporate these into the REP collection. The Department has now developed a memorandum of understanding with CEPI, and that agency is beginning to address REP certification audit issues.

FINDING

14. Nonpublic School Teacher Certification

The Department should obtain a formal Attorney General opinion regarding whether all nonpublic schools that claim a religious belief objecting to the State's teacher certification requirements are exempt from the requirements.

The Department's exemption process allows uncertified teachers to instruct students, which educational research has identified to be a contributing factor in low student achievement.

Section 388.553 of the *Michigan Compiled Laws* requires all teachers at private, denominational, and parochial schools to be certified. Within the Department, the Government Services and Customer Satisfaction Office was responsible for providing technical assistance and leadership for nonpublic school issues.

The Michigan Supreme Court in *People v DeJonge*, 442 Mich 266 (1993), held that parents claiming a sincerely held religious belief objecting to the State's teacher certification requirements could home-school their children without the aid of certified teachers. Based on an interpretation of a nonauthoritative memorandum from the State's Department of Attorney General, the Department of Education expanded the home-school exemption to include any nonpublic school that

declared a religious belief objecting to the State's teacher certification requirements on a nonpublic school membership report form. The Department collects these forms annually to comply with Section 388.555 of the *Michigan Compiled Laws*. Nonpublic schools that complete the form may qualify their students for supplemental services, such as special education, that are provided by public schools.

Annually, approximately 200 reporting nonpublic schools claim a religious exemption. However, the number of uncertified teachers at all these schools or the number of students taught by uncertified teachers is unknown because only 28% of these 200 schools provided detailed teacher information on these forms (see Table 3).

RECOMMENDATION

We recommend that the Department obtain a formal Attorney General opinion regarding whether all nonpublic schools that claim a religious belief objecting to the State's teacher certification requirements are exempt from the requirements.

AGENCY PRELIMINARY RESPONSE

The Department disagrees. The section of State law that is referenced (Section 3 of the Nonpublic School Act (Act 302, P.A. 1921, Section 388.553 of the *Michigan Compiled Laws*)) was enacted in 1921 and was the subject of a number of legal challenges during the late 1980s and early 1990s. The Department's administration of the statute is based upon not only the text of that specific section of law but the court decisions that relate to that and the compulsory school attendance law. All decisions made regarding reporting by home schools and nonpublic schools were made several years ago in collaboration with staff of the Department of Attorney General.

The reporting form (SM-4325) that was being used for nonpublic institutional schools was ordered by the Court (The Honorable Thomas L. Brown, Ingham County Circuit Judge, in *Clonlara v State Board of Education*) to be used for home schools as well, in order to treat all nonpublic schools, including home schools, the same. At its September 1, 1993 meeting, the State Board of Education approved the use of the reporting form (SM-4325) with the addition of the question as to whether or not the school claims an objection to teacher certification based upon a sincerely held religious belief. These procedures have been in place since 1993

under the authority of the State Board of Education. Therefore, the Department disagrees with the recommendation that a formal Attorney General opinion be requested.

SUPPLEMENTAL INFORMATION

Table 1

OFFICE OF PROFESSIONAL PREPARATION SERVICES

Department of Education

Public and Private Institution MTTC Subject Area Test* Pass Rates

For Individuals Who Reported Attending One of Michigan's 32 Teacher Preparation Institutions

July 1998 through June 2002

Public Institutions			Private Institutions		
Institution	Percentage of Individuals That:		Institution	Percentage of Individuals That:	
	Passed	Failed		Passed	Failed
B	93.14%	6.86%	A	94.11%	5.89%
C	92.14%	7.86%	D	91.11%	8.89%
E	90.03%	9.97%	F	89.37%	10.63%
G	89.01%	10.99%	H	87.95%	12.05%
K	86.03%	13.97%	I	87.35%	12.65%
L	86.01%	13.99%	J	86.74%	13.26%
M	85.73%	14.27%	R	83.27%	16.73%
N	85.56%	14.44%	T	81.61%	18.39%
O	85.15%	14.85%	U	81.59%	18.41%
P	84.27%	15.73%	V	80.92%	19.08%
Q	83.42%	16.58%	W	80.91%	19.09%
S	82.67%	17.33%	Y	78.35%	21.65%
X	78.55%	21.45%	BB	68.99%	31.01%
Z	77.07%	22.93%	CC	68.86%	31.14%
AA	75.41%	24.59%	DD	68.65%	31.35%
			EE	54.52%	45.48%
			FF	53.96%	46.04%
Overall	84.6 %	15.4 %	Overall	77.6 %	22.4 %

* Analysis is based on results from a total of 75,625 subject area tests with 61,028 associated with public institutions and 14,597 with private institutions.

Note: These test results may include some individuals who may not have been enrolled in the institution or particular program associated with the test results or who may not have completed the teacher education program at the time of testing.

Table 2

OFFICE OF PROFESSIONAL PREPARATION SERVICES

Department of Education
Selected MTTC Subject Area Test Pass Rates
July 1998 through June 2002

Institution	Overall Institution MTTC Subject Area Test Rate	English	History	General Science	Biology	Secondary Mathematics
A	94.11%	100.0%	85.3%	100.0%	88.0%	90.0%
B	93.14%	100.0% *	**	97.5%	77.6%	98.3%
C	92.14%	98.1%	80.2%	97.6%	93.8%	91.9%
D	91.11%	98.9%	88.6%	97.4%	85.7%	100.0%
E	90.03%	99.0%	73.6%	95.2%	72.4%	96.4%
F	89.37%	98.6%	63.9%	96.1%	91.7%	86.7%
G	89.01%	95.5%	55.2%	97.7%	68.5%	80.5%
H	87.95%	100.0%	90.9% *	100.0% *	90.9% *	100.0% *
I	87.35%	100.0%	64.3% *	90.2%	52.2%	83.3% *
J	86.74%	100.0%	54.1%	**	80.0% *	92.9% *
K	86.03%	94.9%	71.6%	89.2%	64.6%	70.0%
L	86.01%	97.4%	67.4%	98.9%	64.6%	91.7%
M	85.73%	94.4%	71.0%	85.7%	69.2%	74.4%
N	85.56%	97.5%	62.1%	92.3%	61.0%	70.0%
O	85.15%	94.7%	64.2%	86.7%	61.5%	74.7%
P	84.27%	92.6%	79.3%	83.1%	62.5%	66.9%
Q	83.42%	94.5%	62.5%	77.9%	65.2%	71.1%
R	83.27%	96.3%	83.3% *	83.3% *	25.0% *	100.0% *
S	82.67%	93.1%	72.6%	86.4%	54.9%	63.4%
T	81.61%	94.2%	67.3%	96.3%	56.8%	79.2%
U	81.59%	100.0% *	63.2% *	88.9%	100.0% *	92.3% *
V	80.92%	99.0%	52.1%	74.3%	64.2%	84.4%
W	80.91%	92.3%	45.3%	97.8%	62.5%	63.6%
X	78.55%	95.7%	51.9%	100.0%	59.3%	85.7% *
Y	78.35%	95.6%	80.5%	73.1%	48.1%	69.2%
Z	77.07%	91.7%	**	97.8%	49.4%	80.0%
AA	75.41%	86.8%	61.0%	81.1%	49.3%	58.5%
BB	68.99%	91.7%	36.8%	85.0%	55.6% *	57.4%
CC	68.86%	90.2%	46.0%	75.0%	36.7%	76.7%
DD	68.65%	92.0%	29.6%	93.8% *	70.0% *	72.7%
EE	54.52%	68.9%	42.1%	61.6%	32.3%	36.0%
FF	53.96%	75.4%	50.0%	76.5% *	26.0%	30.8%

* Fewer than 20 tests in the subject area for the period.

** Not an approved teacher preparation program area at institution.

Note: These test results may include some individuals who may not have been enrolled in the institution or particular program associated with the test results or who may not have completed the teacher education program at the time of testing.

DEPARTMENT OF EDUCATION
Nonpublic School Religious Exemptions*
School Years 1999-2000 through 2002-03

**Schools Claiming a Religious Exemption Which Did Not Provide
Nonrequired Teacher Certification Information**

<u>School Year</u>	<u>Number of Schools</u>
2002-2003	139
2001-2002	143
2000-2001	146
1999-2000	145

**Schools Claiming a Religious Exemption Which Provided
Nonrequired Teacher Certification Information - Certified Teachers**

<u>School Year</u>	<u>Number of Schools</u>	<u>Number of Teachers and Type of Certificate</u>			
		<u>Michigan Teaching Certificate</u>	<u>Michigan Teaching Permit</u>	<u>Bachelor's Degree</u>	<u>Other State Teaching Certificate</u>
2002-2003	53	208	19	188	24
2001-2002	54	201	16	142	15
2000-2001	56	138	25	127	13
1999-2000	61	287	11	158	18

**Schools Claiming a Religious Exemption Which Provided
Nonrequired Teacher Education Information - Uncertified Teachers**

<u>School Year</u>	<u>Number of Schools</u>	<u>Number of Teachers and Education Level</u>	
		<u>Less Than A High School Diploma</u>	<u>High School Diploma but Less Than a Bachelor's Degree</u>
2002-2003	8	2	32
2001-2002	27	3	70
2000-2001	25	2	56
1999-2000	11	4	31

* The data in this table was provided by the Department of Education and was not subjected to audit. The Department informed us that it does not verify the table data provided by the schools.

GLOSSARY

Glossary of Acronyms and Terms

basic skills test	A three-part examination developed to test the basic skills in reading, mathematics, and writing of a candidate for a Michigan teaching certificate.
CEPI	Center for Educational Performance and Information.
criminal background check	A request made by a potential employer to MSP to check the background of an applicant for criminal convictions.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical with the minimum amount of resources.
felony	A violation of a penal law for which the offender may be punished by imprisonment for more than one year or an offense expressly designated by law to be a felony.
LEIN	Law Enforcement Information Network.
material condition	A reportable condition that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
Michigan Test for Teacher Certification (MTTC)	Michigan's testing program, composed of basic skills tests and subject area tests.
misdemeanor	A crime less serious than a felony, usually punishable by no more than one year in jail.

mission	The agency's main purpose or the reason that the agency was established.
MSP	Michigan Department of State Police.
NCATE	National Council for Accreditation of Teacher Education.
objectives	Specific outcomes that a program seeks to achieve its goals.
OPPS	Office of Professional Preparation Services.
pass rate	The total number of MTTC subject area tests passed divided by the total number of MTTC subject area tests attempted.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
performance standard	A desired level of output or outcome.
public school academy	A public school that is authorized under contract by an authorizing body in accordance with Part 6A of the Revised School Code. A public school academy is a body corporate and a governmental agency organized and administered under the direction of a board of directors. (Also commonly referred to as a "charter school.")
REP	Registry of Educational Personnel.
reportable condition	A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.

SB-CEU	State Board of Education continuing education unit.
school district	An intermediate school district, a local school district, or a public school academy.
school year	July 1 through June 30.
subject area test	An academic content area test that candidates for secondary-level teaching certificates must pass in order to be certified in the area and candidates for elementary-level teaching certificates must pass to teach subject areas in grades 6 through 8.
Superintendent	Superintendent of Public Instruction.
USDOE	United States Department of Education.